

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7529

BILL NUMBER: SB 487

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Health Coverage for Certain Disabled Officers.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a local government unit that employs an individual as a police officer, county police officer, or sheriff who is disabled in the line of duty to offer to provide and pay for certain health coverage for the individual and the individual's spouse, surviving spouse, and certain children.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary.* Costs for local units to provide the required health insurance coverage could range from \$5.3 M to \$17.7 M annually. This estimate assumes that local units are not currently providing the benefit. Actual costs will differ depending on the actual costs faced by local units in providing health coverage to their active employees.

Background. The 1977 Police Officers and Firefighters' Pension and Disability Fund has 7,014 members who were police officers. Of this population, 325 have either a Class 1 or a Class 2 disability and are either living or deceased. This equates to approximately 4.63% of the police officer population in the 1977 Fund. If this same percentage were applied to the Sheriff's Plan, with approximately 2,550 active members, the line-of-duty disabilities from the Sheriff's Plan would equal about 118. In total, an estimated 443 individuals and their families could be eligible for health coverage benefits.

For units participating in the state's local unit health insurance program, the rates for CY 2011 range from \$11,900 for singles to \$40,000 for families. Given these rates and assuming that 443 individuals and their families would be eligible, costs for local units would range from \$5.3 M to \$17.7 M annually.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local units who provide group health insurance coverage to active public safety employees and who employ eligible public safety employees who are disabled in the line of duty.

Information Sources: Keith Beesley, State Personnel Department; Heath Insurance Rates for CY 2011; Steve Daniels, State Budget Agency; Indiana Pension Handbook.

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